



# Earning confidence as a woman in portfolio management

By David Kitai | Oct 16, 2023

For Rose Devli, the challenges she faced in a male-dominated profession made her a better trader and more self-assured PM

**R**ose Devli's career is full of spontaneous, almost serendipitous moments. The fixed income portfolio manager at Dynamic Funds did not go to business school to become a PM. Like almost all of her classmates at MacMaster, she wanted to be an investment banker. She worked herself to the bone to secure an internship and then quit two weeks in, realizing that work was not for her.

Devli's path to portfolio management was circuitous, coming through academia, sales, and periods of significant self doubt. It was made more challenging in subtle ways by the fact that she's a woman. According to Morningstar, of the 1872 mutual fund managers in Canada, only 234 are women. Devli overcame the challenges of her career path and implicit bias by earning the confidence to trade.

"When I started trading it was hard, I wasn't sleeping well, whenever I lost money I wasn't able to sleep at all," Devli says. "Thank goodness I had a good boss. He could tell something was going on and he sat me down and said 'you're going to lose money. The very best traders are right only 60% of the time. It's about the way you trade that tells you whether you're a good trader or a bad trader.'"

Fortunately, the ETF market continued to trade in these stressed periods, providing price discovery; pointing to where the bonds were transacting. The ETF market adds to the bond market by providing additional pools of liquidity along side the cash bond market.

The takeaway here is that if you are a bond manager and you don't have the ability to use an ETF, or interact with the ETF market during stressed markets, you are basically trading with one hand tied behind your back. Bond ETFs provide optionality and there is huge value in that for fixed income investors.

BMO Exchange Traded Funds is the largest fixed income ETF provider in Canada, having segmented the market precisely by term and by credit.

In that moment, her boss-turned-mentor helped reset Devli's thinking

around portfolio management. She started to focus on process and earn her trading confidence. That boss, she says, never handed her an answer. If she came with a question, he would point her in a direction where she could find the solution herself. She grew from those lessons and developed a greater sense of self.

Devli believes wholeheartedly in the importance of early-career mentorship. Now a mentor to younger team members herself, she backs her mentees, setting them up to make their own decisions and earn their own confidence.

## **A woman on the trading floor**

There were aspects of her early career that a mentor couldn't help with, though. Namely, the isolation of being one of two women on a massive trading floor. Devli says that growing up in a mostly male family helped. She had enough experience dealing with the guys to navigate, but 2005 was a different time in the industry and Devli felt isolated enough to be looking at plane tickets most days.

"I remember thinking, they're too expensive, I'll have to stick with this for a while," Devli laughs. "It was difficult, it was maybe 50/50 odds of me just leaving."

A sense of opportunity, and the support she received from her mentors, kept Devli engaging in her work. The more she traded the greater she began to understand the world of fixed income and see a chance to make a name for herself.

Devli explains that the fixed income space offers a great opportunity for portfolio managers because benchmark performance is so typically poor. Finding alpha takes skill, knowledge and active management. As she grew in her role, she could show outperformance on a regular basis and overcome her aversion to risk.

## **Giving other women the confidence to trade**

Devli believes that some traditional gender roles hold women back from careers in portfolio management. She believes women tend to show more outward risk aversion and can lack

confidence in their decisions. She notes that her own career began racked with self-doubt, and the opportunities her mentors and firms have given her helped build that confidence.

During the pandemic Devli faced another period of self-doubt after she became pregnant. In a male-dominated profession, parental leaves were rare to see. Moreover, the daily demands of capital markets mean any extended time away can be seen as catastrophic. When time came for her maternity leave, Devli says Dynamic Funds backed her 100%. They calmed her anxieties as she stepped away from her desk and helped her smooth re-entry into work.

Out of her own success comes an understanding of implicit bias and the issues holding women back in portfolio management. She believes that the long hours and intense teamwork required to be a portfolio manager make leaders wary about who they will hire and promote. Because those leaders already tend to be male, they will often unconsciously defer to people they relate to, they know, who don't feel different. This can mean women are passed over for male colleagues.

Overcoming those inbuilt biases requires a huge degree of learning and unlearning, not to mention an open discourse about the role gender can play in our careers. Nevertheless, Devli's own career offers a case in how that can be done, and how someone can earn the confidence needed to become a portfolio manager.

"It takes a while to get comfortable in your skin, but once you start to prove yourself as a trader, you gain more confidence," Devli says. "My first day trading I had zero confidence. Today, I feel pretty confident. There's no calculation to it, but I think it comes down to giving people the opportunity to try."